

SONOMA Geothermal Power Project (80-AFC-1C)

Contact: Christine Stora 654-4745

Business Meeting Date: 8/25/2010

Background: The Sonoma Geothermal Power Project (Project) is a 72 MW geothermal power plant located in Sonoma County. The Project was licensed in March 1981 and is now owned by Geysers Power Company. Prior to the Project being licensed, a Memorandum of Understanding (MOU) dated February 27, 1980 with the California Energy Commission (Energy Commission), U.S. Geological Survey (USGS), and the Bureau of Land Management (BLM) was prepared to create a cooperative effort to NEPA and CEQA compliance. The Final Decision states that State and Federal agencies participated in a Joint Environmental Statement since the Project is on federal lands. In the Final Decision, USGS is listed as agency that many of the ongoing compliance reports are to be sent to. The Compliance Plan published in March of 1981 (and rewritten in 1983) stated that the USGS is responsible for “implementing the approved [Compliance Monitoring] program after the Energy Commission’s certification is completed”.

On February 3, 1981 a Letter of Understanding (LOU) was signed by the Energy Commission and USGS to further clarify duties and responsibilities of the agencies following the issuance of the licenses and approvals for the Project. The LOU states that the ultimate decision-making authority over the operation of the facility resides with the USGS and the BLM. The LOU required Plans of Operation, Applications for Permits, reports, designs, and similar documents to be submitted to the USGS and reviewed by the Energy Commission.

In a letter filed on April 12, 2010, the USGS informed the Energy Commission Compliance Program Manager (CPM) of the transfer of its oversight responsibilities to the BLM. On May 24, 2010, the USGS sent an additional letter that stated that they no longer oversee or manage federal land or resources including the Sonoma Geothermal Project and requested that they be terminated as the primary compliance monitoring agency.

Commission staff intends to proceed with an Amendment proceeding recommending a change in the primary compliance agency identified in the Final Decision for the Project.

- The Project is a 72 MW geothermal power plant located in Sonoma County that became operational in December 1983.

- The Project is owned and operated by Geysers Power Company. On June 24, 1998 (Order Number 98-0624-1a), a Commission Order Approving the Transfer of License from SMUD to Calpine Geysers Company L.P. was signed. In a subsequent Commission Order Approving Ownership Transfer (Order No. 99-0414-1(c)) ownership was transferred to Geysers Power Company from Calpine Geysers Company. Both entities are wholly-owned subsidiaries of Calpine.
- An MOU dated February 27, 1980 with the Energy Commission, USGS, and the BLM was prepared to create a cooperative effort to comply with NEPA and CEQA and to issue the necessary permits and licenses for the Project.
- The Final Decision was approved in March 1981. This document stated that State and federal agencies participated in a Joint Environmental Statement since the Project is on federal lands. The conditions set forth in the Final Decision are consistent with the MOU and the LOU and require the Project Owner to file various report and other ongoing compliance documents with the USGS.
- On February 3, 1981, an LOU was signed by the Energy Commission and USGS to further clarify duties and responsibilities of the agencies following the issuance of the licenses and approvals for the Project. The LOU states that the ultimate decision-making authority over the operation of the facility resides with the USGS and the BLM. The LOU required Plans of Operation, Applications for Permits, reports, designs, and similar documents to be submitted to the USGS and reviewed by the Energy Commission. All Annual Reports of Compliance were to be submitted to the USGS.
- The Compliance Plan dated March 25, 1981 and rewritten in May 1983 states that the USGS is responsible for implementing the approved program after the Energy Commission certification including maintaining compliance monitoring records.
- In a letter sent to the CPM on April 12, 2010, the USGS informed the Energy Commission that the agency had passed the responsibilities of Project compliance oversight to the BLM.
- In a letter sent to the CPM on May 24, 2010, the USGS stated that they no longer oversee or manage federal land or resources including the Sonoma

Geothermal Project and requested that the MOU between the Energy Commission and USGS be terminated effective June 1, 2010.

- The Project Owner has submitted Compliance Submittals intermittently to the Energy Commission since 1985.

Justification for Action Requested: On May 24, 2010, USGS sent a letter to the CPM terminating the existing agreement and formally withdrawing from compliance oversight of the Project thus requiring the Energy Commission to amend the Final Decision and identify a new oversight compliance authority.